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THE POSITION OF AMERICAN ECONOMIC HISTORY

THE aim of this paper is first to show what ought to be the scope and purpose of economic history if it is to be pursued as a separate subject of study and then to note what progress has been made in that direction in American history. It will be convenient to begin by calling attention to the changes which have in recent years taken place in the attitude of our historians and economists toward this subject. No one who attended the meeting of the American Historical Association in Boston last winter could fail to be impressed by the interest which its members manifested in the economic side of history. Professor Turner in his presidential address two years ago called attention to its importance to all students of American history and there seemed now to be a pretty general response to his words. In striking contrast to this interest among historians was the lack of it among the members of the Economic Association. Topics in economic history found no place upon their programme. Their meetings were devoted entirely to the discussion of current problems and no one showed the slightest disposition to approach those problems from an historical point of view or to look to history for any light upon them. It was significant also that the project of the economic department of the Carnegie Institution for a co-operative economic history of the United States received no attention whatever. No inquiries were heard and no information was given to the association concerning its progress. This difference in the attitude of the two associations is, I believe, typical of the attitude of historians and economists generally in this country.

If now we turn back a period of twenty years we shall find a situation in one respect exactly the reverse of the present one. Interest in economic history was at that time scarcely less marked than it is to-day, but historians had very little share in it. It was to be found chiefly among economists and was the result of the influence among them of the so-called historical school. This influence became strong in this country during the eighties and culminated in the establishment of professorships of economic history in the departments of economics in the leading universities. Harvard established the first of them in 1891 and other institutions soon after followed her lead. Economic history was everywhere expected to play an important part in that reconstruction of economic science which was then going on. Since that period there

has come about the radical change to which we have referred. Interest in economic history among economists has steadily declined, while among historians it has as steadily increased. What are the influences which have produced these changes? An examination of them will do much to reveal the real nature of the subject and the reasons for its development.

The disposition of economists to regard economic history as of less consequence to their science is undoubtedly due to the declining influence of the historical school among them. As a separate branch of study economic history owes its existence to that school. Its early development was a part of the reaction against the classical political economy, for which that school stood. According to views of the historical school the science of economics ought to be made less abstract and deductive. It ought to take into account more of the concrete facts of economic life; and its laws and principles, if indeed there were to be any, ought to be derived from a wide survey of these facts by a process of induction. This, however, was not the chief criticism. Economic science should be dynamic rather than static. It ought to make proper allowance for change and development in economic life. No general truths concerning the production and distribution of wealth should be laid down independent of time and place. Everything must be relative to the particular stage of development which each country has reached at a given time; and the most important matters to consider are the forces which cause the changes. Economic science ought to be primarily a theory of development and not merely an explanation of the way in which human beings produce wealth and share it as income under a given set of social conditions. The great corrective to the old political economy and the chief means of building up the new was to be the thorough study of the economic life of the past.

Without attempting here any criticism of these views it will not be going too far to assert that they have ceased to have any considerable influence upon the development of economic science, and that their advocates have failed completely to reconstruct it to fit these ideas. Economic theory has indeed been pretty thoroughly overhauled and transformed during the last generation, but it has not become primarily a theory of development. Through all the transforming influences it has remained in that respect exactly what it was under the classical school—a body of generalizations concerning the way in which wealth is produced and distributed as income under a given set of social conditions; these conditions are what have come to exist in practically all civilized countries since the Industrial Revolution. Economic laws or principles as they are

now formulated relate to these conditions and to no others. Economists are not chiefly interested in inquiring how these conditions came to exist nor in discovering the forces which may be at work to fundamentally change them in the future, though owing to the influence of the socialists they do not entirely ignore this phase of the subject. As to the process by which wealth was produced and distributed in society before it assumed this modern form, it is safe to say that economists as such are not interested in that at all. Nor can the science of economics be said to be any less abstract and deductive than it used to be. The old political economy was built up from a few general truths concerning wealth, capital, human nature, and the physical world, which were derived from observation of contemporaneous conditions. The new economics of our day is the product of precisely the same method. The leading principles are not drawn from any wide survey of economic conditions in the past, but are obtained directly from the observation and analysis of what goes on about us in the business world. So far as history furnishes any of the facts upon which they are based it is very recent history—what may be called contemporary history. The chief economic writers of our day are as innocent of any thorough knowledge of history in the broad sense as ever were Ricardo and his followers. Moreover not a few of them show even less familiarity with the concrete facts of the economic life of their own time and quite as great a liking for abstract treatment of the subject.

I do not mean to hold that the historical movement among economists has been entirely fruitless. It has certainly done much to reveal the economic life of the past, and that, as we shall see presently, is a service of great value to students of social evolution; but so far as economic science is concerned it has had no important results. The body of economic history which has been produced by it stands in no vital relation to the principles of the science. It is useful and convenient as a means of illustrating some of those principles and to some slight extent in testing them; but it has not in a single instance been the means of their discovery and establishment. Its chief value to the economist is that it familiarizes him with institutions and helps him to realize the organic nature of society. Economic history stands in about the same relation to the science of economics in which political and constitutional history stand to the new science of modern government. In the last twenty-five years such a science has been created. It attempts to describe and explain the working of popular government in the leading civilized countries in the same way in which the science of economics attempts to

describe and explain the economic organization of those countries. It is more complex than economics because modern countries differ much more in their political than in their economic organization, and the science of government has to take these differences into account. But like economics it is based upon contemporaneous conditions and deals with institutions which in their present form have existed but a short time. Neither science owes much that is essential to the study of history.

The reason for this situation is not difficult to discover. In the case of economics it is due to two circumstances. In the first place it is practically impossible to gain a sufficiently detailed and accurate knowledge of the economic life of people a century or more ago to make their experience of any value in solving present problems. Men have never been accustomed to write very fully about their business affairs for publication, and such records of private business transactions as have come down to us even in American history are extremely meagre. This difficulty is not encountered to the same extent in political history, where public records and the writings of public men supply most of the information that is required. The second circumstance is however far more important. It is the fact that the Industrial Revolution has so changed economic life that even if we were able to gain sufficient knowledge of past conditions they would be of little use in helping to explain the present. Power-driven machinery, modern methods of transportation and communication, the resulting territorial division of labor with the use of large capital, and the appearance of the captain of industry, have created a new world so far as the production of wealth is concerned, and one which has only a very remote resemblance to what existed a hundred years ago. In this respect the science of government is in much the same situation. The coming of democracy represents quite as great a break in political life as the Industrial Revolution caused in economic life. In both cases history has been made a thing of minor value in explaining contemporaneous affairs. It is interesting to know how the political and economic institutions of the present time have come to be what they are, but such knowledge is by no means essential to an understanding of their working. It is equally futile to seek light upon the present problem of the protective tariff from the history of the mercantile system of the eighteenth century and to expect to learn anything about the working of modern democratic government from a study of the French monarchy and the English aristocracy of that same period.

Turn now to the historians and consider the influences which

have acted to arouse their interest in the economic side of their subject. American historians, like those of other countries, have been concerned primarily with politics, but they have always given considerable attention to economic affairs because American politics have turned so largely upon economic questions that no one could hope to understand and explain them without studying those questions. Moreover in a democracy, where the action of government is determined by the feelings and sentiments of the people, general economic conditions must profoundly influence political action. Some very good economic history is therefore to be found in the pages of our older historians like Ramsay and Hildreth. During the last fifty years, however, this connection between politics and economics in this country has become much closer. The character of the economic questions with which our government has had to deal has changed. Before the Civil War they related almost entirely to production. Should the powers of the government be used to aid production by levying protective duties, by establishing a national bank, by adopting some kind of policy of internal improvement? It was possible in all such cases to take a *laissez-faire* position and oppose government interference on the ground that private enterprise, stimulated and controlled by competition, would produce better results. There was always a strong party among the people who held this position and in most matters it was strong enough to determine the policy adopted. The economic questions which came to the front after the war were of a different kind. They related to the distribution of wealth rather than to its production. Competition as an automatic regulator of economic life was breaking down at many points. Among the laboring class it was causing long hours, low wages, and the employment of women and children. In the railroad industry it was forcing many companies into bankruptcy and compelling all to discriminate in their charges, or to form pools to control rates. In many manufacturing industries it was giving rise to trusts and combines. In the growing cities an entire group of so-called public service industries, like water-supply, gas-supply, and street-railways, was springing up in which the operation of competition was obviously impossible. In all these matters the problem was, how to protect one class from another and the general public from the rapacity of individuals. There was no possibility of a *laissez-faire* position. Competition could no longer be relied upon to enable each person to secure his fair share of the product of industry, and there was nothing left but government interference in some form or other. It has come now to be recognized on every hand that the great problem of democratic govern-

ment is, how to deal with these economic questions of distribution. Under such conditions it was obviously impossible to deal with politics without a thorough understanding of economic conditions, and our historians have been greatly influenced in recent years by this situation.

The effect of a similar situation in the world at large may be discerned. It is a familiar doctrine that every generation has to rewrite history from its own point of view. The historian's work is not simply to find out and record what has happened in the past. He must also select for treatment the events which are significant and important, and this work is no less essential than that of finding out the facts and explaining them. In it he is bound to be influenced by the spirit of his age—by the subjects which interest his generation and stir their thought and feeling. The middle portion of the nineteenth century furnishes a good example of this. After the Napoleonic wars, for fifty years or more, the people of all western Europe were engaged in the work of remodelling or entirely reconstructing their political institutions. The problems which touched them most closely and called loudest for solution were to be found in this field. Public men and all thoughtful people were eager to learn all that could be known about the political institutions of the past and the course of their development. Historians now began to give special attention to this aspect of the past and to write constitutional history. As a separate branch of historical study it had not existed before this time. The first book in English with such a title was Hallam's *Constitutional History of England*, published in 1827. The rapid development of constitutional history from about 1830 to 1880 was due to the historian's response to the spirit and needs of the time. During the last quarter of the century the situation changed. After the Franco-Prussian War the work of political reconstruction was nearly finished. The economic problems to which I have referred now came to the front in all progressive countries and absorbed more and more the attention of their people. It was inevitable that historians should be affected by this situation in exactly the same way as they had been by the earlier one. They began now to give more attention to economic affairs, and while they produced few special works on economic history much more space was given to economic matters in the general histories that were written. The tendency showed itself in such titles as Green's *History of the English People* and McMaster's *History of the People of the United States*.

There is still another factor which has had perhaps more influence than anything else in determining the attitude of historians. It

is the new conception of what history is, which they are gradually coming to hold. Freeman's idea that history is past politics, and the more modern notion of Seeley that it is the record of state-building, are being slowly relinquished in theory at least, although they still continue to determine the character of nearly all the general histories that are written. In their place has come a broader conception. It is not difficult to make out in general what this is, though as yet it has not been very definitely formulated. Probably the best way to describe it in a phrase is to call it the sociological view of history. As a rule historians will object to this term. It does not seem possible to them that any body of theory composed so largely of somewhat loose generalizations as sociology, can have anything in common with careful scientific history. Even more than the economist, the sociologist seems to them prone to play fast and loose with facts. He is an utter stranger to the chastening influence of "source materials". He rarely uses any documents except perhaps "human documents". Nevertheless it is to sociology that the new conception of history is most akin and it is with the sociologist that the historian is coming to have most in common. In spite of the great difference between them in the methods and materials used, and in the character of the results attained, their aims are to a large extent identical. The sociologist is seeking to discover the process by which society or civilization in all countries has evolved from the lowest types to the highest. What the historian now tries to do is to tell the story of the social development or evolution of one country or group of countries so far as this can be made out from the records of the past. It is no longer the political activity of a people and the development of their political institutions that is the centre of his thought. It is the development of the whole social fabric that he seeks to depict. It is this that gives unity and continuity to his subject and is coming to furnish a substitute for that political chronology which has so long provided the framework for all historical narrative. Thus the conception of society as an organism developing like other organisms under the influence of environment, which is the chief contribution that sociology has made to modern thought, is coming to affect fundamentally the historian's conception of his work. The failure of historians to recognize this kinship with sociology is matched by the indifference of sociologists to history. They are so preoccupied with primitive man that the course of social evolution among the great historical races is neglected. The institutions of the "Todas and the peaceful Arifuras" continue to receive more attention at their hands than the German kingship, the village communities of

medieval Europe, or the feudal system. Few students of sociology in our universities are ever advised to take such an admirable sociological course as the early constitutional history of England.

It is easy to see how this new conception of history increases the historian's interest in economic affairs. It puts a premium on those matters which touch most closely the life of the masses of the people and so contribute most to determine the course of social evolution. It is not necessary to adopt Marx's view that all social structure is determined by economic life and all social development caused by economic changes; it is sufficient to recognize that here are to be found some of the great forces that have moulded institutions. How to make a living and what things affect their ability to do so have been the principal objects of interest to most people at all times in the history of the world. If history is to tell the story of the social evolution of nations it must give a great deal of attention to that part of human activity.

All these influences have combined to give to economic affairs that prominence in historical writing which they are now coming to occupy and interest in the subject on the part of historians bids fair to continue to increase rather than to decline.

We are now in a position to take up the question of what economic history ought to include if it is to be developed as a separate subject of study. From what has been said above concerning its relation to other subjects it may be assumed that its value will be chiefly for historians and sociologists rather than economists. Accepting this view, what ought to be its aim and what kind of economic history do we need most to have written? We may answer at once that the aim should not be to turn out works on the general history of countries written from an economic point of view. Whatever need there may be for the rewriting of history in order to give to economic influences their proper weight in social and political development, that work may be safely left to the general historian. There is no reason why a body of specialists should be trained to do it; and certainly there is no occasion for economists to turn their attention to the writing of history in order to secure that end. Historians, in this country at least, are in no danger at the present time of neglecting the economic factor in history. They seem disposed to provide all the "economic interpretation" that is likely to be required.

What is needed in the way of special work is something which can be separated quite definitely from the proper work of the historian, something which he can use to great advantage but which he cannot well provide for himself. There is need for a descrip-

tion and explanation of the economic life of each country during the course of its history. The process by which wealth is produced and distributed among individuals in a civilized community is a very complex affair, especially where division of labor has made any considerable progress. It involves the interest of every individual, for no one can live to himself in such a community. It is affected by a great variety of circumstances which differ much in different countries and in the same country at different stages of its development. The special task of the economic historian ought to be to analyze this all-embracing process as it has existed in each country at different times, and to explain it. His subject ought to be *the wealth of nations* in the literal sense of that phrase. He ought to make clear what factors have determined the ability of each nation to produce wealth at any particular time and what ones have influenced its distribution; and he should also reveal the forces which have acted to change economic conditions from time to time, producing economic progress or economic decline.

This is by no means a simple or easy thing to do. It involves much more than merely finding out the facts concerning the industries carried on by a people, the nature and volume of a country's trade, the various economic institutions which have existed in it, like the currency, the transportation system, land tenure, taxation, and the organization of labor and capital, together with the policy of the government in regard to these matters. All these facts and many more must be had, and it is difficult enough to ascertain them. But this work is not different from the ordinary work of the historian and requires no special training. What is far more difficult is the explanation of these facts. It is possible to know them without perceiving their significance and it is here that the chief difficulties of economic history are encountered. Economic conditions are all related. They are never isolated. They fit together to form that elaborate mechanism which creates and distributes the wealth of a nation. The important thing to determine concerning every event or fact is its relation to this process as a whole. It is not enough to know that New England had a large trade with the West Indies in certain commodities during the eighteenth century. The important thing is to understand just how that trade affected the ability of the community as a whole to satisfy its wants, and thus to be able to judge what the hampering of this trade or its interruption really meant to the people of New England. It is not sufficient to trace the growth of slavery in the Southern States and to show that it followed the invention of the cotton gin and the spread of cotton culture. What we want to know is why the introduction

of cotton culture into this country should have produced such a result; and above all to know how the growth of slavery affected the ability of the country as a whole to produce wealth—not only the ability of communities where slavery existed, but that of the rest of the country as well, for it is not alone in the field of politics that slavery influenced the life of the nation; it had a national economic influence quite as important as the political. In all such subjects as these it is necessary to view a wide range of facts in their relations to each other and to ascertain the effect of each event upon the national economy.

In order to exhibit more concretely the nature and importance of the sort of work I am seeking to describe it will be worth while to consider an example of it in more detail. One of the striking features of the economic development of this country during the first half of the nineteenth century was the rise of internal trade. While such trade had existed to some extent even in colonial times, its amount was too small to be of much importance down to as late a date as 1815. The New Englanders carried a little fish and a few manufactures like shoes, tinware, and wooden clocks to the Middle States and the South and brought back a little grain and in later years a little cotton. They also did some carrying of southern staples to Europe. The merchants of the seaboard cities sent a few articles of necessity and luxury to the back country and the Ohio valley, and a few herds of cattle were driven eastward from these regions to the seaboard, and a little produce sent down the Ohio and Mississippi to New Orleans. But the value of all this trade was, I repeat, insignificant before 1815. As an element in the economic life of the average person it played no important part. During the forty-five years from 1815 to 1860 these small rivulets of internal trade swelled into a great volume which at the latter date equalled in value, if it did not exceed, the foreign commerce of the country.

It is extremely difficult to find out the facts concerning the growth of this internal trade. There are no statistics, however imperfect, by which to measure its volume and value. There are only indications of its growth more or less indefinite. Perhaps the best of these are the statistics of steamboat tonnage on the rivers and of sail and steam tonnage on the lakes and in the coasting service. In addition to these it is necessary to study the growth of commercial towns and cities in the various localities and collect scraps of information concerning their trade from such sources as gazetteers, newspapers, and the writings of travellers; and finally in the latter part of the period to follow the building of railroads and study the

traffic of the principal trunk lines. In this way by diligent research it is possible to trace out the chief currents of the trade, to ascertain what commodities composed it, and to form a very rough guess of their value. There is nothing in all this different from the ordinary work of the historian except that the material is more fragmentary and incomplete than on most other subjects and requires to be pieced together with great care. But when this has been done and a fairly trustworthy result obtained, what does it all amount to? Is the development of this trade an important event or not? It certainly had no obvious, striking consequence, such as the rise of a slave power or the advent of a radical frontier democracy in our politics. Nor can its importance be inferred from its value alone. What then is its significance if it has any? It is only possible to answer that question by taking into consideration the economic life of the country as a whole and seeing exactly what change this trade brought about in the national economy.

From an economic point of view American society in 1815 can best be described as made up for the most part of small rural communities scattered over an immense area and having little commercial intercourse with each other or with the outside world. The only part of the country where this was not the case was a narrow strip of territory along the seaboard. The communities near tide-water and on or near navigable streams in this strip could and did carry on a small commerce with each other and a large commerce with foreign countries. But everywhere else the people lived in isolated, self-sufficing communities, which produced for themselves practically everything which they consumed. It may be noted that this feature of American society was much more prominent in 1815 than it had been before the Revolution. Then the settled area where these conditions prevailed could not have included more than about a third or possibly a half of the population. The rush of people into the West which followed the Revolution carried the settlements to the Mississippi and beyond by 1820 and spread the population over a large part of the intervening territory. The "back country", as it was called, where these conditions were most prominent, was expanded until it made up a large part of the country. Probably two-thirds of the population now lived under conditions of commercial isolation.

The effect of this great dispersion of our people upon their manners and political sentiments has received adequate attention, but its economic effects have been either ignored or treated very superficially. It did not, as is commonly assumed, bring any immediate economic advantage to the people as a whole; that is, it did

not increase their ability to produce wealth, but had rather the opposite effect. It greatly increased what had always been the chief obstacle to the production of wealth in American society, namely, lack of division of labor. In spite of the great energy and efficiency of the individual laborers, American industry in general was not highly productive in colonial times. There was always plenty of rude comfort but not much wealth. It was easy to produce the bare necessities but very difficult to produce anything more. This was due to the lack of division of labor. This phrase refers to two distinct though related features of industry. One is the separation of the laborers of a community into distinct industries or employments—more properly called division of employments; and the other is the combination and organization of laborers in each industry. Now the only communities in America where either of these features of industry had ever been developed to any considerable extent before 1815 were those in the tidewater region. Owing to the existence of domestic and foreign trade it was possible for a considerable part of the inhabitants of that region to devote their labors to a few industries in which natural resources were very rich and to depend upon the labor of others to produce whatever else they needed—in other words, to develop division of employment. Here too there was some combination and organization of labor, chiefly in the South, where it was made possible by the existence of slavery. There was a beginning of it also in the North in fishing, lumbering, shipbuilding, and a few small manufacturing industries. But everywhere else over the whole country industry was undifferentiated and unorganized. In the back country almost every one tilled the soil and every farmer was a Jack-of-all-trades. Each family produced most of what it consumed and exchanged very little with other families in the same community. They all produced about the same things. Each little community produced within itself nine-tenths and more of what it consumed, drawing almost nothing from other communities. Combination and organization of labor in the modern sense were practically unknown, and division of employment had scarcely advanced beyond a rudimentary stage. And these back-country conditions, it must be remembered, had come to prevail over the larger part of the country. They were to be found everywhere except in the tidewater strip and may be said to be typical of the country during this period.

If we bear these facts in mind the significance and importance of the rise of internal trade will at once become apparent. It was in fact the introduction into American society generally, for the first time, of the practice of division of labor, which Adam Smith rightly

regarded as the most important circumstance affecting the ability of a community to produce wealth. As this trade grew it became possible for the first time for most of the people to devote themselves to the production of one or a few products in which their labor was productive, and to depend upon other communities in this country or the outside world for what they could produce only at a disadvantage. The markets which now arose for various commodities opened the way also for combination and organization of labor in various industries and localities where it had been unknown before. It began to show itself in the iron works of Pittsburgh, in the slaughter-houses and machine-shops of Cincinnati, the hemp mills of Kentucky, and the sawmills of Michigan. The economic advantages which had before been enjoyed only by the people of the seaboard were now extended to the whole country. There was nothing spectacular in these changes. They came about gradually and quietly. But in the course of a generation they wrought what amounted to an industrial revolution over the greater part of the country. This rise of internal trade must therefore be considered an event of enormous economic importance, far transcending the introduction of the factory system into the textile industries of the country, to which so much attention has been given.

So much for an example of what is involved in the work of explaining and interpreting economic events. It is obvious that we have here something very different from the ordinary work of the historian. It can be done only by those who are familiar with economic science. It is in fact an attempt to apply that science to the facts of a country's economic life at a particular period of its history, and to make it serve as a guide for their explanation. Here is a kind of economic interpretation of history for which there is a legitimate basis and which historians need not regard as an impertinence on the part of economists. Here is an opportunity for the economist to render a genuine service to history by turning his attention to it, and confining himself to those aspects of it with which his professional training has fitted him to deal.

I do not of course mean that economic science can always be relied upon to furnish the true explanation of past economic conditions. Professor Ashley used to insist that we should never be able to understand the economic life of medieval Europe so long as we studied it from the point of view of classical political economy; and Professor Schmoller has shown us how inadequate as history is Adam Smith's account of the mercantile system. The danger of this sort of error is not so great in American history as in these cases, but examples of it are not entirely lacking there. It is not

uncommon for economists who are much interested in the tariff controversy of our own time to fail to recognize how different were the conditions affecting this subject in Clay's and Hamilton's time. A similar defect appears in Professor Commons's otherwise admirable *Documentary History of American Industrial Society*. His mind is so preoccupied with trades-unions and the present problems of the wage-earning class that he ignores entirely the real labor problem of American society during the first half of the nineteenth century. That problem was, not at all how to protect wage-earners from injury due to over-competition, as was the case in Europe, but how to induce people to become wage-earners and thus to secure that combination of labor which was the greatest economic need of the time. American society was not suffering from any of the evils of congestion of its population, but, as we have seen, from just the opposite thing—the too great dispersion of the population over a wide extent of territory. Such errors as these, however, can be easily avoided by the economist who becomes a specialist in dealing with the economic life of the past. He will gradually come to recognize and make due allowance for the differences between present conditions and past. He will cultivate an historical sense and acquire historical-mindedness, and with these he can use his knowledge of present economic relations which economic science provides, to interpret past conditions without danger of serious error. This, it seems to me, is the special study which ought to be developed, and this is the kind of economic history we most need to bring into existence.

It remains to speak briefly of the work which has been done in this field. Only three books have been written which undertake to deal even in the briefest fashion with the economic life of the nation as a whole. Eighteen years ago Carroll D. Wright published what he called *The Industrial Evolution of the United States*.¹ It in no way came up to the promise of its title, and deserves mention only because it was the first attempt to consider the subject from this point of view. In 1905 Miss Coman's *Industrial History of the United States*² appeared. Regarding "political events and social changes as conditioned on industrial evolution", the author aims "to bring the essential elements of our [economic] history within the grasp of the average reader". Her book is a compilation of facts, with little attention to that work of explanation which ought to be the most prominent feature. What the essential elements of our economic history are, that is, what events have been

¹ New York, Chautauqua-Century Press, 1895.

² New York, The Macmillan Company, 1905.

most influential in determining the course of development, can only be discovered by giving attention to that aspect of the subject, and inevitably there is great lack of discrimination in the selection and arrangement of facts. Bogart's *Economic History of the United States*³ is much more successful in selecting for treatment those subjects which are really essential to any understanding of economic development; and the author has kept steadily in mind his declared intention "to bring out clearly the causal relation of events". Although this work of explanation is very brief and often superficial, the author appreciates its importance. His book is however chiefly useful because it brings together the available facts and digests the results of such investigations as have been made. It is a good beginning in a neglected field.

Before any such reasoned account of economic development as we have described can be written, a vast amount of preparatory work must be done. We must know in detail how individuals and communities have made a living and what circumstances have affected their ability to do so. The immediate need is for the same careful, painstaking study of economic activity which historians have given to political activity. We are fortunate in possessing in the Department of Economics and Sociology in the Carnegie Institution of Washington a well-organized and subsidized enterprise designed to accomplish precisely this work. For a decade it has been stimulating investigations by grants of money and seeking to initiate and guide them by its organization. To a large extent it is responsible for the work which has been done during that period, and a glance at the results of its activities affords striking evidence of the progress that has been made. According to its latest report fifty-two monographs prepared under its direction have been published and one hundred and eight have been finished but remain unpublished. Besides this, sixty-one shorter studies have been published in periodicals, a large portion of which, however, are merely parts of the published and unpublished monographs. To this must be added a considerable list of monographs that have originated in the graduate schools of the various universities and in the different departments of the federal government. Altogether these make up an imposing mass of material. It is only possible here to indicate in general terms how far it has prepared the way for an economic history of the country.

Broadly speaking, there are at least three well-defined types of special study which ought to be multiplied in order to make such a work possible. First, there should be histories of the important in-

³ New York, Longmans, Green and Company, first ed., 1907, second ed., 1912.

dustries in agriculture, forestry, mining, and manufactures. Secondly, there should be studies of what for want of any other name may be called economic institutions—the currency, the transportation system, public finances, land tenure, and the various phases of the organization of labor and capital, such as slavery, trades-unions, and corporations. Single great enterprises in transportation and banking as well as branches of foreign and domestic commerce belong to the first type. Studies of governmental policy naturally form a part of both the first and the second. The third type is quite different in character from the other two. It is synthetic not analytic. It deals not with some one factor of economic life but considers in detail the whole economic activity of some one community or section where conditions are the same. The country naturally divides itself into regions according to differences in economic conditions and interests. These make up what may be called economic provinces. Such are New England, the Middle States, the Lower South, the Border States, the old Northwest, the Pacific coast, and the great mountain region of the Far West. Detailed studies of the economic life of each of these regions or of single states in them are examples of this type.

An examination of the existing mass of publications reveals a surprising deficiency among them under all three of these heads. The number of important industries whose history has been thoroughly investigated is very small. There are only a few such monographs as Wright's *Wool-Growing*, McFarland's *Fisheries*, Hammond's *Cotton Industry*, and Marvin's *Merchant Marine*. No such studies have been made of slaughtering and meat-packing, lumbering, flour-milling, salt-making, coal-mining, gold and silver-mining, the telegraph, steamboat navigation, and the express business, all of which have played an important part in our economic life. The same is true of a great number of minor manufactures, such as shoe-making, sugar-refining, tanning, and the production of clothing, furniture, and agricultural implements. In case of those manufactures which have received most attention, iron and the textiles, the aim has been to find out the influence of the tariff rather than to explain the development of these industries. The wide field of industrial history in the strict sense of the term still remains largely unworked. The situation is somewhat better as regards economic institutions. Money and banking, the canals and railways, and the finances of the federal government are the subjects which have received more attention than any others in our economic history. A good beginning has also been made in labor problems, especially trades unions; but an adequate treatment of

slavery and of the problems which grew out of emancipation is still conspicuously lacking. The growth of capital and the development of the great institution by means of which it is collected and applied to industry, the corporation, have hardly received any attention at all.

Studies of the third type are the least developed of all. An excellent example in Bruce's *Economic History of Virginia in the Seventeenth Century* was among the first fruits of the new interest in this subject. A still earlier and a less valuable work was Weeden's *Economic and Social History of New England before 1789*. Almost the only study of this kind which has been published since these works is the recent *Economic Beginnings of the Far West* by Miss Coman. It fails to have equal value with them because there is no unity to the economic life of this region during the period that it covers. Something approaching this type of study is appearing in connection with the study of the history of agriculture and transportation. It is impossible to study agriculture by industries since division of employments has not developed there as in all other fields of production. The different branches of agriculture are more or less connected in most regions and it is necessary in studying it to consider the larger part of the economic activity of whole communities. Several such works appear in the unpublished monographs of the Carnegie Institution. For a different reason studies in transportation lead to a similar result. The introduction into a community of modern facilities of transportation is such a revolutionary influence that the treatment of it involves the consideration of almost all the economic activities of that community. Nowhere can be found so good a brief account of the economic life of the Southeastern States during the first three decades of the nineteenth century as appears in the early chapters of Phillips's *History of Transportation in the Eastern Cotton Belt*. Gephart's *Transportation and Industrial Development in the Middle West* is a less successful effort to trace the industrial growth of the state of Ohio as it was affected by transportation. Historical students ought to contribute largely to this third type of study, since it depends upon the careful collection of a great variety of facts. Fite's *Social and Industrial Conditions in the North during the Civil War* represents a kind of work which might well be imitated.

It is clear from this brief survey that the work of investigation needs to be carried much further and to be systematized so that the most important subjects shall receive most attention. It is to be hoped that the Carnegie Institution will not relax its efforts to stimulate and direct such work. A closer organization of the

collaborators, with a more definite plan of the work which they are seeking to produce, would be likely to secure more valuable results. Co-operative enterprises in historical research have never succeeded without such a plan and some one to hold the co-operators up to it. In view of the character of much of the work required as well as the present attitude of the two national associations toward economic history it would be well also to enlist the more active interest of historians in the enterprise.

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